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FISCAL IMPACT STATEMENT

LS 6263

BILL NUMBER: HB 1541

NOTE PREPARED: Dec 19, 2008

BILL AMENDED:

SUBJECT: Various Probate Issues.

FIRST AUTHOR: Rep. Foley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill specifies that damages paid to a plaintiff's estate in a personal injury case maintained by the personal representative of a plaintiff who dies from causes other than the personal injury are subject to the statutes governing the Inheritance Tax, the Indiana Estate Tax, and the Generation Skipping Transfer Tax.

The bill also requires a person paying the damages to notify the Department of State Revenue of the payment within ten days. It also requires the Department to notify the county assessor of the county in which the plaintiff was domiciled at the time of the plaintiff's death.

The bill specifies the methods of satisfying the survivors' allowance. The bill provides separate procedures for the petitioned removal of a corporate personal representative following a change in the control of the corporate personal representative. It changes the mailing requirements for opening an estate or guardianship from certified mail to first class postage prepaid mail. It provides the method for determining the amount a joint owner or beneficiary of a protected person's multiple party account is entitled to receive from the protected person's estate when a guardian has used assets of the multiple party account.

The bill makes numerous changes and additions to the power of attorney statutes to conform with the Uniform Power of Attorney Act. It also specifies mailing address requirements for recording conveyances.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues: *Reporting of Damage Awards:* The bill requires a person paying a damage award to a resident decedent's estate to give notice of the payment to the Department of State Revenue. The notification must be made within 10 days after the damage award is paid to the resident decedent's estate. The reporting mechanism may result in collection of Inheritance Tax or Generation Skipping Tax that would otherwise not be collected on damage awards paid to estates. The extent of any revenue gain from the reporting requirement is unknown and could be minimal.

Explanation of Local Expenditures: *Notification Requirements:* The bill changes the requirement for mail notification when the probate court issues notice of: (1) the administration by the court of an estate; or (2) the filing of a petition for appointment of a guardian or for the issuance of a protective order, and the hearing on the petition. Under current statute, pertinent parties must be notified by certified mail, but the bill changes this requirement to first class postage prepaid mail. This change will result in an indeterminable reduction in expenses relating to these mail notifications.

Explanation of Local Revenues: *Reporting of Damage Awards:* See discussion under *Explanation of State Revenues*.

State Agencies Affected: Department of State Revenue.

Local Agencies Affected: Probate courts.

Information Sources:

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